



PRESS RELEASE

FOR IMMEDIATE RELEASE:

February 25, 2013

BROWNSTONE ENERGY SPUDS CALACHO #1 WELL, LLANOS BASIN, COLOMBIA

Toronto, Ontario (February 25, 2013) – Brownstone Energy Inc. (TSXV: BWN; OTCQX: BWSOF) (“Brownstone” or the “Company”) has been informed by the operator of Llanos 21 block in the Llanos basin in Colombia, Omega Energy Colombia, that it has commenced drilling the Calacho No. 1 well. The Calacho well is the first well of a planned two well drilling program on the block. The planned second well in the program is the Rocamao No. 1 well.

The Calacho well is being drilled to a planned total depth of 7,000 feet, and drilling is expected to take approximately 30 days. The Calacho well is programmed to test the hydrocarbon potential of the C7 and Une formations. The gross budget for drilling and testing of the well is approximately \$4.5-million (U.S.). The Rocamao well is planned to be drilled to a total depth of 6,900 feet and drilling is expected to take approximately 30 days. The Rocamao well is also programmed to test the hydrocarbon potential of the C7 and Une formations. The gross budget for drilling and testing the Rocamao well is approximately \$5.1-million (U.S.).

Under the terms of the original farm-in agreement, Brownstone was to pay 50% of two wells in exchange for an income production participation of 35%. Under a new arrangement agreed to in the spring of 2012, Brownstone’s remaining obligations require it to pay \$1,875,000 toward the two wells, following which it will no longer have any rights or interests in respect of the block, subject to an option exercisable by Brownstone following the completion of either the first or second well to acquire a 24.75% income production participation in the block by reimbursing Omega Energy Colombia for 50% of its costs in the first well or both wells, as applicable.

About Brownstone

Brownstone Energy Inc. is a Canadian-based, energy focused company with direct interests in oil and gas exploration projects, including varying interests in three off-shore Israel concessions and in four Colombian blocks in the Llanos basin, as well as other oil and gas interests worldwide. By owning and managing a diversified portfolio of energy-based projects, Brownstone provides shareholders with a unique energy alternative. For additional information, please see Brownstone's website: www.brownstoneenergy.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Cautionary Statements

This news release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws (together, "forward-looking information"). The use of any of the words "expect", "anticipate", "continue", "estimate", "believe", "plans", "intends", "confident", "may", "objective", "ongoing", "will", "should", "project", "should" and similar expressions are intended to identify forward-looking information.

The forward-looking information is based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning the operational results in Colombia. Although the Company believes that the expectations and assumptions on which the forward-looking information are based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct.

Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the inherent risks involved in the exploration and development of oil and gas properties, the uncertainties involved in interpreting drilling results and other geological data, uncertainties relating to fluctuating oil and gas prices, the possibility of cost overruns or unanticipated costs and expenses and other factors including unforeseen delays. Anticipated exploration and development plans relating to the Company's properties are subject to change.

The foregoing list of assumptions, risks and uncertainties is not exhaustive. The forward-looking information contained in this press release is made as of the date hereof and Brownstone undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws